



THE TRANSPORTATION LINK

Vol. 12 No. 5

May 2005



From the Desk of the Director

Sean M. Moss, Director of the Office of Small and Disadvantaged Business Utilization (OSDBU) and Minority Resource Center (MRC)

Whether you are an established DBE or have only recently been granted DBE status, the May issue of The Transportation Link offers a wealth of information designed to educate and inspire you as you pursue direct procurement and financial assistance from DOT.

DBEs of all sizes, backgrounds and experience will benefit from the newly-created Regional DBE Conferences. Announced by U.S. Transportation Secretary Norman Y. Mineta at the National DBE Conference, the regional conferences were developed through a collaborative effort between OSDBU/MRC and each of the Regional Centers to enhance the ability of DBEs to participate in DOT contracting and subcontracting opportunities. Upcoming conference locations include Atlanta, Oakland, Orlando, Newark, San Juan and Tacoma.

In this issue, we also highlight OSDBU/MRC's capital access programs, specifically, the Short Term Lending Program (STLP). Through this program, qualified DBEs can obtain short-term working capital for transportation-related projects — at prime interest rates.

This month's Procurement Watch explores opportunities related to the FAA's Grants-in-Aid for Airports program (AIP), which provides funding for projects related to enhancing airport capacity, security, safety and environmental concerns.

But, perhaps, the greatest example of DOT's commitment to aiding DBEs comes in this month's success story. Hi-Tec Systems founder and CEO Tribhubvan Singh discusses his company's incredible successes, including a 322% revenue increase in three years, and OSDBU/MRC's role in it.



Up, Up and Away: Hi-Tec Systems, Inc.

Many business owners build their companies from the ground up. Trib Singh built Hi-Tec Systems, Inc. from the garage up.

Singh spent most of his engineering career working for major aviation-related corporations, including MITRE and Lockheed Martin, deciding to venture out on his own in the mid 1990s. "I had no office, no employees so I set up in my garage," he recalls. His sole business at the time was an FAA contract working on its Wide Area Augmentation System program.



Trib Singh, Hi-Tec Systems

Today, Hi-Tec Systems, which celebrates its 10th anniversary in 2005, has nearly 100 employees working throughout the world to provide technical support to a variety of agencies within DOT, DOD and Homeland Security, as well as international clients in India, Japan and Afghanistan, specializing in engineering, research and development, program management and information technology services. With last year's revenues nearing \$20 million — a staggering 322% increase since 2001 — Hi-Tec's achievements are impressive for any size company, let alone an SBA-certified 8(a) small, disadvantaged business. A fact which was not lost on DOT, which singled Hi-Tec out for the 2003 disadvantaged Business Enterprise Award, presented to Singh by Transportation Secretary Norman Y. Mineta.

Singh...continued from page 1

While Singh appreciates the accolades, what makes him proudest is the fact that Hi-Tec has never lost a contract in 10 years. "We respect our customer relations and work hard to make sure our clients are happy. That's always been the linchpin of our success," he says. "Our people are our greatest asset."

Heroes Need Help Too

Though it was authorized by the United States Congress two years ago, the Service-Disabled Veteran-Owned Small Business (SDVOSB) Procurement Program has been getting a boost more recently from OSDBU/MRC with the roll-out of a promotional poster. The poster, which reflects OSDBU/MRC's commitment to increasing federal contracting and subcontracting for SDVOSBs, was created by a Florida-based advertising agency — and DBE — to increase awareness of the program.

The full-color poster features images of soldiers from various branches of the Armed Forces with the Vietnam Veterans Memorial and American flag providing a dramatic backdrop. The message is simple: "Heroes deserve more than medals. They deserve opportunities." The posters will be distributed through federal transportation contracting offices across the country.

In keeping with Executive Order 13360, which outlines President Bush's plan for "providing opportunities for service-disabled veteran businesses to increase their federal contracting and subcontracting," the DOT has committed to achieve the federal government goal of 3%.

Currently, there is no certification process for veterans. Veterans certify their own status, including service-disabled, when they register on the government's central contractor registration site (www.ccr.gov) or when they respond to a government solicitation.

For more information on the SDVOSB procurement program, visit <http://osdbu.dot.gov>, click on "OSDBU Services," then "Veterans Business Development Programs."

To request an SDVOSB poster, contact the OSDBU/MRC National Information Clearinghouse at (800) 532-1169.

Regional DBE Conferences Offer Answers and Guidance to Business Owners

Regional DBE Conferences Offer Answers and Guidance to Business Owners

DBEs seeking insight and information about DOT's financial assistance and direct procurement programs need look no further than their own backyard — or at least their own MRC region.

Earlier this year at the National DBE Conference U.S. Transportation Secretary Normal Y. Mineta reaffirmed DOT's commitment to DBE owners by announcing the creation of Regional DBE Conferences. Dubbed "Ready, Willing & Able," the conferences were developed through a collaborative effort between OSDBU/MRC and each of the Regional Centers.

"The goal of each conference will be to enhance the ability of DBEs to participate in transportation-related opportunities," says Art Jackson, Business Training Manager and Chief of Field Operations for OSDBU/MRC.

The conference schedule kicked off last month with a "very successful" event in Chicago, where more than 175 attendees packed the Hyatt Regency in hopes of expanding their own opportunities. "We heard a lot of comments [from attendees] that the conference was valuable and provided them with information they needed," said Jo Ann Siller, executive director of Resource Business Group, Inc./MRC Northern Region, which co-hosted the conference in with DWS & Co., Inc./MRC Mid-Western Region.

Because each conference is planned by the Regional Center(s) in its area, its components are specific to that community and its particular needs, which, in Chicago, included plenary sessions on financing and bonding, fraud and federal contracting, as well as networking opportunities and a keynote speech by OSDBU/MRC Director Sean M. Moss.

The remaining conferences, including those in the Eastern, Western, Southern and Southeastern regions, promise to be equally as informative — and inspirational.

For more information on upcoming Regional DBE Conferences or to register, contact the appropriate MRC Regional Center, accessible through the OSDBU/MRC website (<http://osdbu.dot.gov>).

OSDBU



Short Term Lending Program Offers Financial Relief to DBEs

Obtaining short-term working capital is a challenge for business owners of all kinds but particularly for DBEs. In response to this dilemma, OSDBU/MRC has developed the U.S. Department of Transportation Short Term Lending Program (STLP). The program enables qualified business owners to obtain short-term working capital at prime interest rates for transportation-related projects.

To qualify applicants must be currently certified as a DBE by any agency applying DOT certification guidelines (49 CFR, Part 23 and 26) or by the U.S. Small Business Administration Section 8(a) Program, Small Disadvantaged Business (SDB), HUBZONE Empowerment Contracting Program or Service-Disabled Veterans. The DOT recommends that applicants have a past performance history of at least two years before applying; therefore, start-up businesses are not eligible to apply.

Further, applicants must have been awarded a contract for a transportation-related project, defined as “the maintenance, rehabilitation, restructuring, improvement or revitalization of any of the nation’s modes of transportation with any public or commercial provider of transportation of any federal, state or local transportation agency.” According to STLP guidelines, the contract may be with any other federal agency, provided that the contract will assist a DBE in competing subsequently for contracts with either a public or commercial provider of transportation or any federal, state or local transportation agency.

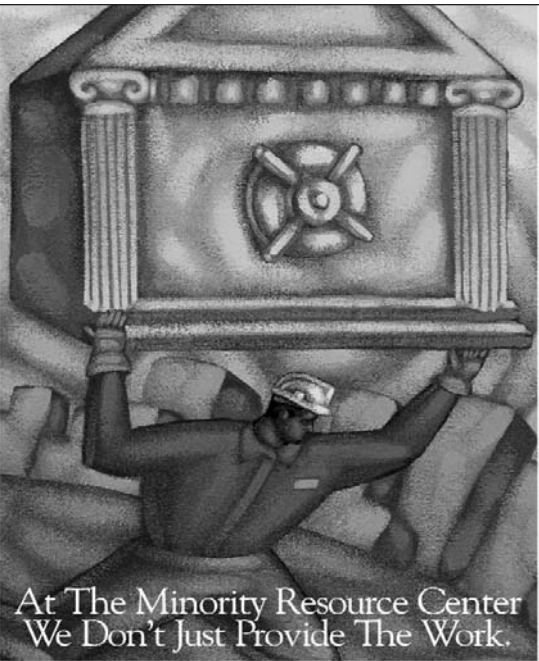
In order to be considered for STLP, qualified DBEs must complete a loan application (available on the OSDBU/MRC website: <http://osdbu.dot.gov>) and provide additional application materials, including, but not limited to, business and financial statements for three years, business and personal income tax returns for three years, cash flow projections for the term of the loan, a personal financial statement, company profile and three business/trade references.

Once a DBE is approved for STLP, the short-term working capital is provided in the form of a revolving line of credit — up to a maximum of \$750,000 — with the primary collateral being the accounts receivable from the contract(s) or subcontract(s) being financed. All loan documentation, processing and loan services are performed by the STLP bank offering the line of credit and administered by the DOT OSDBU/MRC through a cooperative agreement with DOT. Because these loans are designed to meet the short-term costs of performing the contract(s) or subcontract(s) being financed, STLP funds are not available for contract mobilization, equipment purchases, refinancing of existing debt,

payment of non-current taxes, distributions or other payments to stock holders or other long-term uses.

Repayment of any STLP funds occurs as the project owner or prime contractor pays each invoice related to the contract(s) or subcontract(s) being financed. Payment is made jointly to the borrower and to the STLP bank and sent directly to the bank, which repays the amount borrowed against the invoice and transmits the balance to the borrower. The line of credit usually covers a period of one year, but renewals may be requested. Terms range to less than one year to five years. STLP loans bear interest at the prime rate as published daily in the Wall Street Journal and are adjusted on the first day of each calendar month plus 13/4 points.

In addition to STLP, the DOT offers a variety of other capital access programs including Bonding Assistance and the Basic 7(a) Loan Guaranty. For more information on any of these programs, contact your regional MRC or visit <http://osdbu.dot.gov> and click on “MRC Services,” then “Capital Access.”



**At The Minority Resource Center
We Don't Just Provide The Work.
We Provide The Loan To Get The Work Done.**

At the Minority Resource Center, our goal is to assist DOT's DBEs and we take that goal seriously. Access to capital is of great concern to DBEs and we understand. That's why we offer DOT's DBEs our Short-Term Lending Program (STLP). The program provides lines of credit for accounts receivable financing on a transportation-related contract. The STLP guarantees up to 75% of a loan with a **borrowing limit of \$750,000**. If you have a DOT contract we are here to help. For additional information contact the Minority Resource Center at (800) 532-1169.

Minority Resource Center
U.S. DOT Service For Disadvantaged Business Enterprises

This program is funded by the U.S. Department of Transportation, Office of Small and Disadvantaged Business Utilization and by Minority Resource Center National Information Clearinghouse, under the authority of Title 49, Subtitle 1, Chapter 1, Subchapter 1.312. All DOT programs are extended to the public on a nondiscriminatory basis. For more information visit us at <http://osdbu.dot.gov/>

Short Term Lending Program Ad

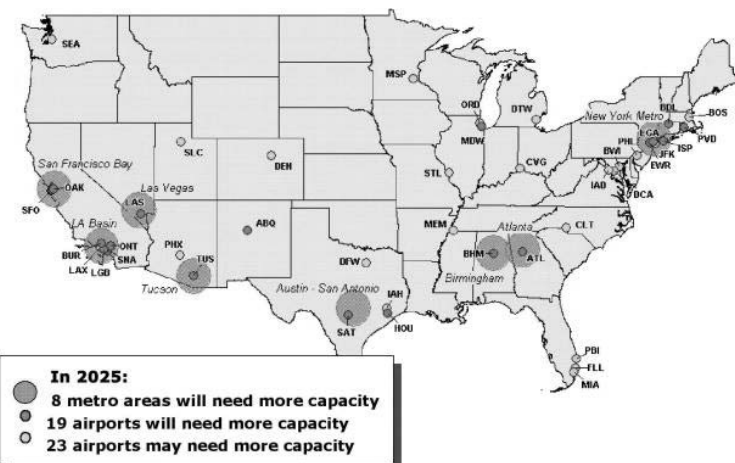
Procurement Watch

White House Proposed \$3 Billion to Address Air Mobility Issues

Over the last decade, the airline industry has come a long way in providing safe, affordable and efficient service to its customers. While this comes as great news to consumers, it is also becoming a cause for concern for the FAA, which sees the demand for air transportation outpacing increases in capacity in some U.S. airports. According to their projections, air traffic demand has the potential to triple by 2025. And if the FAA is right, 19 airports will exceed their capacity within 20 years (see chart at below); another 23 will be in danger of following suit.

To address the issue of air mobility, the White House Office of Management and Budget proposed \$3 billion in the FY 2006 budget for the Grants-in-Aid for Airports program (AIP), which provides funding for projects related to enhancing airport capacity, security, safety and environmental concerns. Projects may include the construction of new runways and taxiways, extending existing runways and other airfield capital improvements. Any professional services that are necessary for eligible projects — including planning, surveying and design — are eligible, as are runway, taxiway and apron pavement maintenance.

While specific FY 2006 projects are still being determined, contractors can learn more about current opportunities available through the FAA's Office of Small Business Utilization (SBO) by logging on to <http://www.sbo.faa.gov/sbo/>. By building new runways, as well as improving aviation technology, airports will be better equipped to meet the growing demand for air transportation. In addition to new construction, the FAA will also continue to work with airlines at selected airports to ease airline delays.



May/June 2005

May 4

CelebrAsian 2005: Expand Business Horizons, Oakland, CA
Contact: US Pan Asian American Chamber of Commerce
(202) 296-5221 www.uspaacc.com/celebrasian2005

May 9

Regional DBE Conference: Southeastern Region, Atlanta, GA
Contact: MRC Southeastern Region
(404) 530-5567 www.alliance4u.org

May 11-13

Regional DBE Conference: Puerto Rico and Virgin Island
San Juan, PR, Contact: MRC PR and Virgin Islands Region
(787) 289-7880

May 13

MRC Bonding/Finance/Insurance Seminar, Oakland, CA
Contact: MRC Western Region
(510) 272-0736 www.anuegroup.us

May 16

Greater Atlanta Economic Alliance 4th Annual Golf Challenge
Stone Mountain, GA
Contact: MRC Southeastern Region
(404) 827-9677 www.alliance4u.org

May 16-17

Managing and Financing Independent Business, Oakland, CA
Contact: Community Bank of the Bay
(510) 433-5415 www.communitybankbay.com

May 24

Regional DBE Conference: Eastern Region, Newark, NJ
Contact: MRC Eastern Region
(212) 222-1101

June 11-14

2005 AMAC/FAA-- 21st Annual Airport Business Diversity Conf.
& Exhibition, Los Angeles / Hollywood, CA
Contact: Donna Brady, Business Manager, AMAC
amac.one@verizon.net, 703 379-5701

June 23

Regional DBE Economic Procurement and Financial Summit Pre-Conference Intensive Workshop, Oakland, CA
Contact: MRC Western Region
(510) 272-0736 www.anuegroup.us

June 23-24

Regional DBE Conference: Western Region, Oakland, CA
Contact: MRC Western Region
(510) 272-0736 www.anuegroup.us